GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3127
ANSWERED ON:22.03.2002
INCOME TAX RETURNS BY SENIOR CITIZENS
DALPAT SINGH PARASTE

Will the Minister of FINANCE be pleased to state:

(a) whether there has been standing instructions to the banks to deduct the Income Tax of senior citizens including retired person at source;

(b) if so, the reasons for what the Government made it compulsory to fill up the returns, when the senior citizens are covered by the banks having their accounts there;

(c) whether the Government would like to issue instructions that senior citizens who are not covered with the tax category, need not to fill up the returns, in view of their age; and

(d) if so, the time by which it is likely to be done?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b) Under the Income-tax laws, any person responsible for paying any income chargeable under the head `salaries` which includes pension also, shall, at the time of payment, deduct income-tax at source on the amounts payable after allowing such rebates and relief as may be admissible as per the tax laws/rules, at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made. Further , as per the income-tax laws, every citizens who has a taxable income or is covered by the one-by-six economic criteria (irrespective of the fact whether his/her income is taxable or not) is required to file income-tax return. Deduction of tax at source is only a tax collection mechanism and is not a substitute for filing of tax returns.

(c) & (d) Senior citizens who have no taxable income and are not covered by the one-by six economic criteria are not required to file the income -tax returns.